

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7027

BILL NUMBER: HB 1326

NOTE PREPARED: Feb 28, 2012

BILL AMENDED: Feb 28, 2012

SUBJECT: Various Education Matters.

FIRST AUTHOR: Rep. Rhoads

FIRST SPONSOR: Sen. Yoder

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) The bill has the following provisions:

Criminal History Check: This bill provides that an "expanded criminal history check," for purposes of education law, requires a national criminal history background check. Eliminates other types of permissible record searches under current law.

Higher Education Students: The bill provides that prohibitions against financial aid do not apply to international students with bona fide legal status who are enrolled in state educational institutions. It provides that an individual who was enrolled in a state educational institution on or before July 1, 2011, is not lawfully present in the United States, and is a resident of Indiana may pay resident tuition at a state educational institution.

Teacher of the Year: This bill replaces the Ambassador for Education Program with provisions which allow a teacher of the year to serve one year of professional leave with the Department of Education (Department) or a postsecondary educational institution.

Obsolete Programs: The bill abolishes the following programs and entities concerning various education matters:

1. Technology Apprenticeship Grant Program.
2. Corporation for Educational Technology, including the Buddy System Project.
3. Education Consultant for Health and Physical Education.
4. Principal Leadership Academy.

5. School Grant Writing and Fund Raising Assistance Program.
6. Technology Preparation Task Force.
7. Research and Development Program concerning various studies and evaluations.
8. Educational Technology Council.
9. Teacher Quality and Professional Improvement Program.
10. Committee on Educational Attitudes, Motivation, and Parental Involvement.
11. Readiness Testing.
12. Student Services Programs.
13. Twenty-First Century Schools Pilot Program.
14. Anti-gang Counseling Pilot Program and Fund.
15. Department of Education review of professional development programs.
16. Performance Based Awards.
17. Istep Program Citizens' Review Committee.
18. A requirement that a course in safety education be taught to eighth graders.

Charter School 3rd Grade Reading Remediation: The bill requires the State Board of Education's plan for ensuring that charter school students are reading at grade level by the end of grade 3 to include only an assessment of each student's reading level in grade 3 and retention of a student as a last resort.

Unused Building: The bill makes changes in the law governing the disposal of an unused school building.

Cursive Writing: The bill requires each school corporation to include cursive writing in the curriculum of the school corporation.

ISTEP Test: The bill deletes provisions concerning the availability of ISTEP essay questions for inspection by students and parents.

The bill provides that: (1) a student's parent may request a rescoring of the student's responses to an ISTEP test, including the student's essay; or (2) a school may request a rescoring only if there is evidence that the test score is not accurate.

School Bus Inspection & Registration: This bill requires school bus inspectors to attach to the bus a certificate of inspection and document the certification in the School Bus Inspection Data Base. It changes the registration deadline for school bus owners who are not school corporations from July 29 to September 30.

Study Committee: The bill requests the Legislative Council to assign to an interim study committee during the 2012 legislative interim the topics of: (1) the use of balanced school calendars by school corporations and procedures for the implementation or discontinuance of the use of balanced calendars, including the use of referenda; and (2) state educational institution grading practices.

Educational Outreach and Training: The bill allows that the Indiana Safe Schools Fund to be used to provide educational outreach and training to school personnel concerning the identification and prevention of and intervention in criminal gang activity.

Model Development: The bill requires the Department to develop model educational materials and a model policy concerning criminal gang activity. It requires the Department, in collaboration with the Indiana Criminal Justice Institute, the Indiana Department of Child Services, and any organization with expertise in criminal

gang education, prevention, and intervention that the Department determines to be appropriate, to identify or develop model education materials, and develop a model policy to address criminal gangs and criminal gang activity in schools.

Criminal Gang Policy: The bill requires the governing body of each school corporation, including Indianapolis public schools and charter schools, to develop and maintain a criminal gang policy. It requires a school corporation to include a copy of its criminal gang policy; (1) on its website; (2) in school student handbooks; and (3) in any location the school corporation determines to be appropriate.

It requires each school corporation to develop: (1) an educational criminal gang awareness program for students, school employees, and parents; and (2) a school employee development program to provide training to school employees in the implementation of the school corporation's criminal gang policy. It authorizes a school corporation to enter into a memorandum of understanding with the county prosecutor or a juvenile court to foster coordination of gang prevention, intervention, and suppression efforts.

The bill also requires the discipline rules adopted by the governing body of a school corporation to: (1) prohibit criminal gang activity; and (2) include provisions concerning education, parental involvement, reporting, investigation, and intervention concerning criminal gang activity.

Reporting Requirements: The bill requires, beginning in 2015 and each year thereafter, each school corporation to submit a report to the Department outlining the activities undertaken by the school corporation to address criminal gang activity. It requires, beginning in 2015 and each year thereafter, the Department to submit a report to the Governor and the General Assembly.

Notification: The bill requires a school employee that has reason to believe that a student or school employee: (1) actively participates in a criminal gang; (2) commits criminal gang intimidation; or (3) solicits, recruits, entices, or intimidates another individual to join a criminal gang, to immediately notify the school or school corporation administration. It requires the individual to make an oral report to the local law enforcement agency. It provides that an individual who makes or causes to be made, a report or who participates in any judicial proceeding resulting or relating to the report is immune from any civil or criminal liability if the individual did not act maliciously or in bad faith.

Technical Corrections and Conforming Changes: The bill makes a technical correction. It deletes obsolete provisions concerning testing schedules. It makes conforming changes. The bill also deletes references to statutes repealed during the 2011 legislative session.

Effective Date: Upon Passage; July 1, 2012.

Explanation of State Expenditures: *Higher Education Students:* The clarification that prohibitions against financial aid do not apply to international students with bona fide legal status who are enrolled in state educational institutions should have no fiscal impact.

The provision allowing a college student who enrolled in a state educational institution on or before July 1, 2011 and is not lawfully present in the United States to pay in-state tuition could reduce the future student fees to universities. The impact is unknown but probably minor.

Obsolete Programs: According to the Department, the 18 programs listed for elimination have had no staff

or activity associated with the programs for the last few years. The elimination of the programs should have no fiscal impact.

ISTEP Test: Currently, the state must allow each student or the student's parent to inspect the following:

1. A copy of the essay questions and prompts used in assessing the student.
2. A copy of the student's scored essays.
3. A copy of the anchor papers and scoring rubrics used to score the student's essays.

The parent can also currently request a rescoring of the test.

Eliminating these options to review the test should reduce the cost of administering the test. When test questions and the rubrics associated with the questions are made public, the questions can not be used for several years, so more new questions must be developed each year. It is currently unknown how much might be saved if fewer new questions have to be developed annually. Allowing a school to request a rescoring only if there is evidence that the test score is not accurate should reduce some costs.

Teacher of the Year: Replacing the Ambassador for Education Program with provisions which allow a Teacher of the Year to serve one year of professional leave with the Department of Education or a postsecondary educational institution should have no additional fiscal impact.

School Bus Inspection & Registration: The bill changes the deadline for registration of a school bus that is not owned by a school corporation from July 29 to September 29 of each year. The same number of buses would be inspected but the State Police would have an additional month to do the inspection and document the certification in the State Police's School Bus Inspection Data Base for school buses that are not owned by a school corporation. The provision should have no fiscal impact. Approximately 14,000 school buses are inspected each year.

Study Committee: There should be no fiscal impact of assigning topics to an interim study committee.

(Revised) Educational Outreach and Training: The fiscal impact should be minimal. For both FY 2011 and FY 2012 approximately \$750,000 was appropriated for school safety specialist training, and the Specialist Training Academy is already incorporating training on criminal gang activity in its curriculum. For example, in September 2011, the Academy co-sponsored a free workshop on gang activity for school safety leaders.

(Revised) Model Development, Reporting Requirements: The bill's requirements are within the routine administrative functions of the Department, the Indiana Criminal Justice Institute and the Indiana Department of Child Services, and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

Additional Details:

Educational Outreach and Training: Under current law, the Indiana Safe School Fund provides funding for various types of school safety programs. Under this bill, funding would be extended to train school personnel in identifying, preventing, and intervening in criminal gang activities.

Model Development: This bill requires the Department, in collaboration with the Indiana Criminal Justice

Institute, the Indiana Department of Child Services, and any organization with expertise in criminal gang education and prevention, to identify or develop model education materials and develop a model policy to address criminal gang activity in schools.

The model policy, which would be available by July 1, 2013, is to be used to assist school corporations and charter schools in designing their own policy on gang activity. The two core principles of the policy include the development of educational materials for both parents and students and a model criminal gang policy. The model criminal gang policy covers criminal gang activity in schools, procedures for prompt reporting and investigation, information on the types of family support services available, and recommendations on maximizing federal funding and community participation.

As part of this initiative, the Department would also have to develop a curriculum to be used to train school safety specialists on how to identify, prevent, and intervene in criminal gang activity. Under current law, the safety specialists have to be trained in identifying, preventing, and intervening in bullying incidents, and this would be a natural addition to its current training.

For some time now, the Department has been involved in addressing gang activity and gang violence. For example, it has partnered with the U.S. Attorney's office and with the Indiana Intelligence Fusion on several occasions, and through the School Safety Academy the Department has sponsored several workshops on gang activity. Additionally, it continues to seek the latest data from established experts on gangs. At the local level a few school corporations have taken the initiative in cooperating with local enforcement personnel in addressing the issues concerning gang activity.

Reporting Requirements: Under this provision, beginning November 1, 2015, the Department has to submit an annual report to the Governor and the General Assembly outlining what activities school corporations have undertaken to oppose gang activity and what the Department has done to assist schools in doing so.

Explanation of State Revenues:

Explanation of Local Expenditures: *Summary:*

(1) *Criminal History Check:* The change should have no fiscal impact on schools. The employee under IC 20-26-5-10 is required to pay the cost of the required criminal history check.

(2) *Cursive Writing:* The bill should not increase school expenditures. In the past, cursive writing was part of the curriculum. Cursive writing instruction might have to replace some other instruction currently done by schools.

(3) (Revised) *Criminal Gang Policy; Reporting Requirements; Notification:* The bill's requirements are within each school corporation's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

Additional Details:

Criminal History Check: A national criminal history background check means the criminal history record system maintained by the Federal Bureau of Investigation based on fingerprint identification or any other method of positive identification. The cost of a national criminal history checks is about \$33 which is paid by the employee.

Under current law the required expanded criminal history check includes the national criminal background check along with the following:

1. A search of the records maintained by all counties in Indiana in which the individual who is the subject of the background check resided.
2. A search of the records maintained by all counties or similar governmental units in another state, if the individual who is the subject of the background check resided in another state.

(Revised) *Unused Building*: Under current law, the Department maintains a list of unused school buildings. This bill clarifies how long an unused school building may stay on the list: 2 years if the school corporation does not plan on reclaiming the building for its own use, or 4 years if the corporation believes it may need the building for a future classroom.

The bill also authorizes the state superintendent to permit the corporation to dispose of the building without first placing it on the disposal list. The corporation would first have to notify the Department and each charter school sponsor. If the charter school sponsors do not object, permission may be granted.

(Revised) *Criminal Gang Policy*: Under the bill, school corporations (including charter schools), in consultation with parents, employees, local law enforcement, and applicable organizations, would be required to develop and maintain a criminal gang policy. The policy must be completed by June 1, 2014, and submitted to the Department by September 1, 2014. The policy would be based on the model provided by the Department. It would be incorporated in the discipline rules of the school corporation. Additionally, as a minimum, it would also be published on the corporation's website and in the student handbook.

The bill authorizes a school corporation to enter into a memorandum of understanding with the county prosecutor or a juvenile court to foster coordination of gang prevention, intervention, and suppression efforts.

(Revised) *Reporting Requirements*: The bill requires, beginning in 2015 and each year thereafter, each school corporation to submit a report to the Department outlining the activities undertaken by the school corporation to address criminal gang activity.

(Revised) *Notification*: Under current law, individuals must report certain infractions to the school principal or local law enforcement as applicable. Under this bill, those infractions that would be reported to the school principal under current law would now be reported to the school or school administration. An infraction that would be reported to law enforcement under current law would still be reported to that authority under this bill.

Additionally, under the bill, incidents involving gang activity would be reported to the appropriate authority. The bill provides that the individual who reports the incident, or who participates in any judicial activity pertaining to the report, would be immune from any civil or criminal liability.

Explanation of Local Revenues:

State Agencies Affected: Department of Education; Indiana Criminal Justice Institute; Indiana Department of Child Services; State Superintendent of Education.

Local Agencies Affected: Local schools and accredited nonpublic schools; Charter Schools.

Information Sources: Ashley Gibson, Department of Education, 217-232-6618, State Police School Bus Inspection Program website, <http://www.in.gov/isp/2561.htm> .

Fiscal Analyst: Chuck Mayfield, 317-232-4825; David Lusan, 317-232-9592.